A Synopsis

On

Consumer Behaviour towards Select Brands Endorsed by Celebrities – A Study of Shekhawati Region of Rajasthan

For

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INTRODUCTION

Contemporary advertising is different from what it was a century earlier. Modern advertising represents a complete package of entertainment, mixed with emotion, feelings, drama, thrill, fear, love and many other elements to catch the attention of potential customers. The main intention behind involving all these sentiments is to create loyalists for respective brands from the masses. For several decades, firms have been associating themselves and their brands with celebrity endorsers (from the fields of movies, sports, etc.), hoping that celebrities may boost effectiveness of their marketing communication. A celebrity is a person who is widely recognised in a society and fame is one prerequisite for attaining celebrity status. The general public associates celebrities with fame, beauty, money and power. Becoming a celebrity is not easy. It calls for sustained and disciplined efforts in a profession and acquiring skills to excel in the chosen field. Once the status is achieved, leveraging that fame outside the profession, however, comes effortlessly. Media coverage spreads recognition of the celebrity beyond the domain also and as a result, marketers are ever ready to get a celebrity to associate himself/herself with their brands.

Marketers have been leveraging celebrity appeal for a long time. What makes celebrity endorsement stand out now is the scale on which it is practised. Cutting across product categories, whether in products or services, more and more brands are banking on the charisma and mass appeal of celebrities. The reasons are many – exploding media options, expanding customer choice, heightened competition, and rising advertising clutter. The celebrity endorsements scenario has seen several transformations over the past few decades. With every passing year, more and more thrust is being laid on encashing the mass appeal of celebrities across different elements of marketing communication. Use of celebrities in advertising has been identified as a ubiquitous feature of modern marketing. No longer it is restricted to just advertising. It is quite common to come across involvement of celebrity faces in sales promotion events like game shows, trade-fairs and so on. Rapid developments in the field of marketing communication have led to the growth of celebrity endorsement as one of the most effective promotion tools for branded products. Advertising and marketing managers spend a great amount of money to have celebrities endorse their products. Advertisements today are considerably more elaborate, complicated and misguiding than ever before. The simple practice of using images and a voiceover to portray a brand's properties has since long vanished. Instead, it has been replaced by the use of storylines, creative cinematography and a plethora of endorsements from celebrities amongst other advocates.

The field of Consumer Behaviour is the study of individuals, groups or organisations and the processes involved to select, use and dispose of products, services, experiences, or ideas to satisfy needs and impacts that these processes have on the consumer and society. Understanding the nuances of consumer behaviour is one of the toughest and challenging tasks faced by a marketer. There are a lot of factors which influence consumer buying behaviour. Strong positive impact of celebrities in influencing consumer buying behaviour has been widely accepted by the marketing gurus across the globe. The chief motive behind every strategy being followed by a marketer today is not only to satisfy but to delight the customers, and the benefits associated with celebrity endorsement of brands like instant appeal transfer of personality traits to the brand itself, ability to lend credibility and trust, better recall value and adding life and zest to brands are too appealing for marketers to ignore. No wonder, the audience – comprising both current consumers of the brand and the prospects – are inundated with celebrities promoting a host of products. Multiple celebrities are endorsing one brand and super celebrities are endorsing several products.

OBJECTIVES OF THE STUDY

1. To study the performance of branded products and services promoted by celebrities.
2. To study the influence of celebrities on consumers with respect to branded products and services.
3. To study the difference between the market-share of products endorsed by celebrities and rival non-celebrity endorsed branded products.
4. To identify the parameters that define the success of using a celebrity in product promotion.

HYPOTHESES

1.1 Celebrity endorsement has no effect on sales.
1.2 Celebrity endorsement has no effect on profit.
2.1 Celebrity endorsement has no effect on demand.
2.2 Celebrity endorsement has no effect on recall rate.
3. Celebrity endorsement has no effect on market-share.
4.1 Celebrity profession has no effect on celebrity endorsement.
4.2 Celebrity popularity has no effect on celebrity endorsement.
4.3 Celebrity credibility has no effect on celebrity endorsement.
4.4 Celebrity controversy has no effect on celebrity endorsement.

IMPLICATIONS OF THE STUDY

(A) On Existing Customers — The proposed study intends to analyse the impact of celebrities on the behaviour of current customers (located in the

Shekhawati region of Rajasthan) of the products and services promoted by them.

(B) <u>On Prospective Customers</u> — The study would also divulge information about the impact of celebrities in attracting prospective customers (located in the Shekhawati region of Rajasthan) of the products and services promoted by them.

(C) <u>On Firms and Advertisers</u> — The proposed study would be of great help to the firms which can analyse the effectiveness of celebrities as a promotion tool to attract the customers located in the Shekhawati region of Rajasthan. The result would propel these firms to undertake an investigation to either continue or modify their marketing communication strategy.

(D) <u>On Society as a whole</u> — Enormous amounts of money is being expended to sign off the "already rich" celebrities to promote various products and services including those of daily use. The proposed study would examine whether this state of affairs is pertinent with the long-term aim of holistic development of the country intending to include all the deprived sections of the society and if this money could be utilised to carry developmental projects in the under-developed Shekhawati region of Rajasthan.

REVIEW OF LITERATURE

Celebrities are people who enjoy public recognition by a large share of a certain group of people whereas attributes like attractiveness, extraordinary lifestyle are just examples and specific common characteristics cannot be observed though it can be said that within a corresponding social group, celebrities generally differ from the social norm and enjoy a high degree of public awareness (Schlecht, 2003). This is true for classic forms of celebrities like actors (e.g. Shahrukh Khan, Amitabh Bachhan), models (John Abraham, Malaika Arora, Diya Mirza), Sports athletes (e.g. Sachin Tendulkar, Sania Mirza), entertainers (Barkha Dutt, Shekhar Suman) and Pop Stars (Mika, Daler Mehndi) but also for less obvious groups like businessmen (e.g. Dhirubhai Ambani) or politicians (Laloo Prasad Yadav). Besides these, there are fictional celebrities like Ronald McDonald, Fido dido, Gattu, Amul Girl, Pillsbury doughboy and the like (Anonymous, Business Standard, Dec, 2003). Celebrities appear in public in different ways. First, they appear in public when fulfilling their profession e.g. Sachin Tendulkar is loved by millions for his wonderful performance in the cricket field. Furthermore, celebrities appear in public by attending special events e.g. Filmfare Star Awards, Videocon Screen Awards, etc. In addition, they are present in News, Fashion magazines and tabloids, which provide second

source of information on events and private life of celebrities through mass media channels. Last but not the least, celebrities act as spokespersons in advertising to promote products and services (Kambitsis et al, 2002, Tom et al, 1992). A celebrity who represents a brand or company over an extended period of time often in print and TV ads as well as in personal appearances is usually called a company's spokesperson (Schiffman and Kanuk, 1997). The reason for using celebrities as spokespersons goes back to their huge potential influences. Compared to other types of endorsers, famous people achieve a higher degree of attention and recall. They increase awareness of a company's advertising, create positive feelings towards brands and are perceived by consumers as more entertaining (Solomon, 2002). Using a celebrity in advertising is therefore likely to positively affect consumer's brand attitude and purchase intentions. Specifically, a consumer that observes messages for two different firms' products, one product's message containing a celebrity endorsed and the other not, believes the celebrity endorsed product will have more purchases and so be of higher value (Clark & Horstman, 2003).

According to McCracken (1989), a well-known person tends to have a greater effect on the customer buying behaviour. Queen Victoria's endorsement of Cadbury's Cocoa (Sherman, 1985) is one of the earliest examples of celebrity endorsement in the world. Today, use of celebrities as part of marketing communications strategy is fairly common practice for major firms in supporting corporate and brand imagery. This practice is not new to advertising. In fact, a survey conducted in the United States by *Business Week* way back in 1978 found that almost one in three television commercials used celebrity endorsement. Although not that high today, celebrity endorsements are still popular (Kamins, 1990; Misra and Beatty, 1990; and Ohanian, 1991). Also, the promoter of certain products requires co-ordination over multiple customer groups — different age, income, education groups or groups in different locations. A common set of advertising messages communicated to all customer groups is a more effective and coordinated mechanism than messages targeted at separate customer groups with separate messages. The challenge with common message is of significant audience reach in the various customer groups at low cost. Because the celebrity is recognisable globally, it is a low cost way to achieve cross group coordination (Clark & Horstman, 2003).

The marketer hires celebrities to endorse brands because they believe that consumers who are fans and followers of celebrities will consume brands associated with these celebrities. Also, celebrities create and maintain attention, and thus create high recall rates of the commercial (Croft, *et al.*, 1996). The reason behind the popularity of celebrity advertising is the advertisers' belief that brand images built through celebrities achieve a

higher degree of attention and recall for consumers, which will eventually lead to higher sales. There is strong evidence to suggest that celebrity advertising delivers a premium in terms of impact. In an analysis of 248 celebrity print advertisements studied by Gallup & Robinson, Inc., over the period 1982-93, celebrity advertisements show about a 34% higher level of awareness than non-celebrity advertisements. Awareness was measured in terms of recall of the advertised brand the day after the advertising exposure. The advertisers hope that this awareness coupled with the attractive and likeable qualities of the celebrity endorser are transferred to the brand, which is being promoted, and they may develop and polish brand/brand image (Mooij, 1994; Dickenson, 1996). Many marketers who have used celebrities in their advertising campaign have certainly obtained good results, e.g., recall rates, sales impact (before and after advertisements). However, the fundamental questions on the effects on consumers' perceptions still remain unsolved (Ho, Kwan, Kwana, 1997).

Although the potential benefits of using celebrity advertising to promote brand images are significant, so are the costs and risks. According to international estimates, almost 10% of all advertising expenditure is being used to pay the endorser (Agarwal, *et al.,* 1995). Moreover, celebrities do not represent a panacea for the promoter in all situations. Friedman and Friedman's (1978) study concluded that celebrities are best suited for promoting certain types of brands only, for example, those with high psychological or social risk. The celebrities may also bring undesirable promotional results as found in a number of research studies (e. g., Kaikati, 1987 and Till & Shimp, 1995). Selecting celebrity endorsers is one key to the success of brands. Celebrity endorsers are effective because they bring to the endorsed brand a host of characteristics that the consumers use in evaluating the brand. A large body of literature exists that has explored the nature of these characteristics. For instance, it is known that celebrity gender, physical attractiveness, trustworthiness, and a vast array of personality characteristics all have an effect on consumer response to a brand's advertisement (Caballero and Pride, 1984; Caballero and Solomon, 1984; Caballero, *et al.,* 1989; Debevec and Iyer, 1986; Friedman and Friedman, 1978; Joseph, 1982; Lynch and Shuler, 1994; Ohanian, 1990; 1991; Peterson and Kerin, 1977; Tom, *et al.,* 1992; Tripp, *et al.,* 1994).

McCracken (1989) has suggested through his Meaning Transfer Model that as consumers process information from an advertisement of a brand, they use information about the celebrity to make inferences about the brand. This transfer of information from the celebrity to the brand is, in part, what makes celebrity endorsements so effective. Research suggests that this theoretical concept is replicable in real life and the transfer process can be observed. For example, symbolic meaning of being sexy, attractive, healthy

and independent could be transferred from a celebrity to a health brand and then to the consumer (Langmeyer and Walker, 1991a; 1991b). The Source Attractiveness Model holds that the acceptance of a message is determined by the attractiveness of its source, i.e., the celebrity presenting the message. The attractiveness, in turn, depends on three attributes, namely, similarity, familiarity and likeability (McGuire, 1985). While research seems to suggest that attractive celebrity endorsers enhance positive attitudes towards advertising and brands, few findings show that they can create purchase intentions (Erdogan, 1999).

Traditionally, marketing communications elements – advertising, personal selling, sales promotion, and public relations – have been thought about, studied and executed separately, but there has been a distinct trend to integrate these activities since the late 1980's. This trend of integration has been noticed by many academics as well as practitioners (Fawcett, 1993; Kitchen, 1994; Krugman, 1994; Schultz, 1991; 1994; Schultz and Kitchen, 1997; Shimp, 1997). As companies invest large sums of money in celebrity endorsement contracts, any celebrity endorsement relationship must contribute to larger marketing strategies (Erdogan and Kitchen, 1998). Accordingly, campaigns involving celebrities are believed to bring more positive results if they are properly integrated than traditional non-integrated campaigns (Bertrand and Todd, 1992; Rogers, 1997).

In a market where advertising plays a vital role in coordinating consumer purchases, it becomes pertinent for companies to induct all possible measures to influence, motivate and inculcate desire to purchase in the customer through an effective advertising campaign. Theory and practice proves that the use of superstars in advertising generates lot of publicity and attention (Ohanian, 1991). The underlying question is if and how the lively interest of the public in "The rich and the famous" be effectively used by companies to promote their brands and consequently increase their revenues (Schlecht, 2003). On the concept and application of celebrity endorsement, Agarwal and Kamakura (1995) cite industry sources that estimate that approximately 20% of all television commercials feature famous people. Certain sets of products feature celebrity endorsements more often (Agarwal & Kamakurna, 1995). They studied all endorsement contracts over the period 1980-1992. In their sample, 60% of the endorsement deals involve soft drink companies and athletic shoes manufacturers. They also provide an event study that examines abnormal stock returns on the day that a company announces the signing of a celebrity for product and endorsement purpose. How celebrity endorsements affect consumer purchase decision is studied extensively by marketing and social psychology researches. Experiments suggest that in certain situations, celebrity endorsement can enhance recall and consume assessment of the products (Clark & Horstman, 2003). Mishra

and Beauty (1990), Petty et al (1983) and Menon et al (2001) indicate that celebrity endorsements enhance brain recall. Petty et al find that subject tended to like the product more when it was endorsed by the famous athlete than by the average citizen of Baber field, California. Mishra and Beauty found that subject tended to rate the product as better and of higher quality if a congruent celebrity endorsed it. Prachi Raturi (2005) finds that when it comes to selling, there is nothing quite like a celebrity sales person. Signing a celebrity helps the brand leap out of clutter and if the chemistry between the celebrity and the brand is right, the buzz could well turn into a roar. Cyber media research study published in Businessworld unearthed different truths about celebrity endorsement. The study was spread over different cities of India (Delhi, Mumbai, Chennai, Kolkata, Nasik, Coimbatore, Meerut). Besides this, a survey of 480 respondents was conducted in 4 cities and 3375 respondents in 8 cities which helped to develop different insights on celebrity endorsements that are given as under:

(i) over 80% of the people remembered the celebrity but forgot about the brand.

(ii) different stars appealed to different geographic groups of customers (e.g. Aishwarya Rai had the highest recall in down south as against Shahrukh Khan who had little appeal there).

(iii) Research emphasised that advertisements without celebrity had a good chance of working as one with them. For instance, Hutch advertisement did a better job of building a brand than coke, which had many big celebrity names associated with it.

CHAPTER PLAN – The proposed research study is to be divided into six chapters as follows:-

CHAPTER 1 INTRODUCTION

CHAPTER 2 REVIEW OF LITERATURE

CHAPTER 3 METHODOLOGY AND MODEL BUILDING

CHAPTER 4 OBSERVATION OF SAMPLE

CHAPTER5 THE INTERRELATIONSHIP – ANALYSIS AND DISCUSSION

CHAPTER 6 SUMMARY AND CONCLUSION

RESEARCH METHODOLOGY

The present study is a survey type research that will be carried out on the basis of data raised by a questionnaire prepared for this purpose. The questionnaire will include both closed and open-ended questions. The data set raised for this purpose will be cross-sectional in nature. A data set containing observations on multiple phenomena observed at a single point in line is called cross-sectional data. The advantages are that it gives a good overall picture of the position at a given time, and is not affected by the movement of elements in the sample, because other elements can be substituted for them.

The usual means, standard deviations and partial correlations are to be calculated to compare the effect of Celebrity Endorsement (CE) on the variables of consumer behaviour and the performance of brand. The measurement of the effect of CE on change in behaviour of the consumer as well as performance of brands will be captured by the use of Analysis of Variance (ANOVA) and other suitable tests and techniques.

The research survey would be spread over various towns located in the Shekhawati region of Rajasthan.

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